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Information <sup>107</sup>

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-50435

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01-01-2009 AND ENDING 12-31-2009  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: J. M. Lummis Securities, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

50 LOCUST AVENUE

(No. and Street)

NEW CANAAN

(City)

CT

(State)

06840

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Reynolds & Rowella, LLP.

(Name - if individual, state last, first, middle name)

90 GROVE STREET

(Address)

RIDGEFIELD

(City)

CT

(State)

06877

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

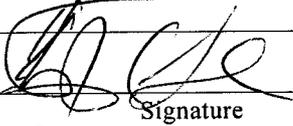
**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

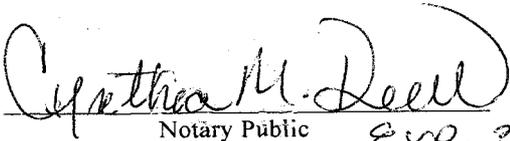
OATH OR AFFIRMATION

I, DAVID Lummis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of S.M. LUMMIS SECURITIES, INC., as of December 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

RESIDENT  
Title

  
Notary Public Exp. 3/31/2012

- This report \*\* contains (check all applicable boxes):
- (a) Facing Page.
  - (b) Statement of Financial Condition.
  - (c) Statement of Income (Loss).
  - (d) Statement of Changes in Financial Condition.
  - (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
  - (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
  - (g) Computation of Net Capital.
  - (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
  - (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
  - (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
  - (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
  - (l) An Oath or Affirmation.
  - (m) A copy of the SIPC Supplemental Report.
  - (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

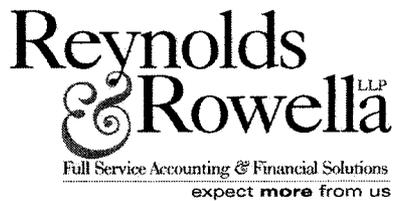
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Washington, DC  
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J.M. LUMMIS SECURITIES, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009





*Partners:*

Thomas F. Reynolds, CPA  
Frank A. Rowella, Jr., CPA  
Steven I. Risbridger, CPA  
Scott D. Crane, CPA  
Ben Maini, CPA

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of  
J.M. Lummis Securities, Inc.  
New Canaan, Connecticut

We have audited the accompanying statement of financial condition of J.M. Lummis Securities, Inc., (the "Company") as of December 31, 2009, and the related statements of operations, changes in shareholder's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of J.M. Lummis Securities, Inc. as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Reynolds & Rowella, LLP

New Canaan, Connecticut  
February 22, 2010

90 Grove Street, Suite 101  
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website: [www.reynoldsrowella.com](http://www.reynoldsrowella.com)

J.M. LUMMIS SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2009

<u>ASSETS</u>		
Cash and cash equivalents		\$ 164,326
Due from clearing organization		71,703
Accounts receivable		4,091
Prepaid expenses		<u>2,190</u>
TOTAL ASSETS		<u>\$ 242,310</u>
 <u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>		
 <u>LIABILITIES</u>		
Accounts payable and accrued expenses		<u>\$ 12,700</u>
TOTAL LIABILITIES		<u>12,700</u>
 <u>SHAREHOLDER'S EQUITY</u>		
Common stock, no par value		209,620
20,000 shares authorized, 100 shares issued and outstanding		<u>19,990</u>
Retained earnings		<u>229,610</u>
TOTAL SHAREHOLDER'S EQUITY		<u>229,610</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>\$ 242,310</u>

See accompanying notes to the financial statements.

J. M. LUMMIS SECURITIES, INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDING DECEMBER 31, 2009

REVENUES:	
Bond commissions	\$ 1,614,142
Money market commissions	<u>12,305</u>
TOTAL REVENUES	<u>1,626,447</u>
OPERATING EXPENSES:	
Salaries and wages	562,500
Commissions	851,000
Allocated expenses (Note 2)	117,650
Other	<u>102,970</u>
TOTAL OPERATING EXPENSES	<u>1,634,120</u>
NET LOSS BEFORE OTHER INCOME	(7,673)
OTHER INCOME	
Interest Income	<u>34</u>
NET LOSS	<u>\$ (7,639)</u>

See accompanying notes to the financial statements.

J.M. LUMMIS SECURITIES, INC.  
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE YEAR ENDING DECEMBER 31, 2009

	<u>Common Stock</u>		<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Shareholder's</u> <u>Equity</u>
BEGINNING BALANCE - January 1, 2009	100	\$ 209,620	\$ 57,629	\$ 267,249
Distributions	-	-	(30,000)	(30,000)
Net loss	-	-	(7,639)	(7,639)
ENDING BALANCE - December 31, 2009	<u>100</u>	<u>\$ 209,620</u>	<u>\$ 19,990</u>	<u>\$ 229,610</u>

See accompanying notes to the financial statements.

J.M. LUMMIS SECURITIES, INC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (7,639)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	131
Prepaid expenses	(1,080)
Due from clearing organization	114,396
Accounts payable and accrued expenses	<u>(238)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>105,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Distributions to shareholder	<u>(30,000)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(30,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	75,570
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>88,756</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 164,326</u>

See accompanying notes to the financial statements.

J.M. LUMMIS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

J.M. Lummis Securities, Inc (the “Company”), was incorporated on June 19, 1997 and is a wholly-owned subsidiary of J.M. Lummis and Company, Inc. (the “Parent”). The Company is a broker dealer registered with the Securities and Exchange Commission (“SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”).

The Company’s operations consist primarily of brokering corporate bonds, money market instruments and U.S. Treasury obligations.

Revenue Recognition

The Company records commissions when earned which is generally on the date the trade closes.

Cash and Cash Equivalents

The Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months.

Due from Clearing Organization

Due from clearing organization primarily represents cash held at a clearing organization and exchanges to facilitate settlement and clearance of matched principal transactions and spreads on matched principal transactions that have not yet been remitted from/to the clearing organization and exchanges. Included in due from clearing organization is a \$50,000 required deposit.

Accounts Receivable

Accounts receivable are carried at the original amount less an estimate made for the allowance for doubtful accounts based on a review of outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering the customer’s financial condition, credit history, and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as a reduction to bad debt expense when received. At December 31, 2009 there was no allowance for doubtful accounts.

J.M. LUMMIS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

The Company's property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets. Property and equipment, with a total original cost of \$3,809, was fully depreciated at December 31, 2009.

Federal and State Income Taxes

The Company's shareholder has elected under the Internal Revenue Code to be taxed as an S Corporation. In lieu of corporate income taxes, the shareholder is taxed on their proportionate share of the Company's net income or loss. Accordingly, no provision or liability for income taxes has been made in the accompanying financial statements.

Concentration of Credit Risk

The Company maintains its cash balances in accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events Occurring After Reporting Date

The Company has evaluated events and transactions occurring between December 31, 2009 and February 22, 2010, which is the date the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Company has entered into an Expense Sharing Agreement (the "Agreement") with the Parent because the Company and the Parent use all of the same vendors and the Parent processes all of the Company's vendor payments. In addition, the Company shares office space with the Parent. The Parent charges the Company based on the percentage of the Company's revenues as compared to the sum of the Parent's and Company's revenues. The Company was charged \$117,650 during 2009 under this Agreement. No amounts were owed at December 31, 2009.

J.M. LUMMIS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 3 – RETIREMENT PLAN/COMMITMENT

The Company's employees participate in the Parent's 401(k) profit sharing retirement plan (the "Plan"). The Plan covers all employees who are at least 21 years of age with one or more years of service. The Plan provisions include a discretionary employer match and profit sharing contribution.

For the Plan year ended December 31, 2009, the Company's share of the contributions to the Plan was \$61,000.

NOTE 4 – NET CAPITAL AND AGGREGATE INDEBTEDNESS REQUIREMENTS

As a registered broker dealer and member of FINRA, the Company is subject to the SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined by FINRA, shall not exceed 15 to 1.

At December 31, 2009, the Company's net capital and required net capital were \$227,515 and \$5,000, respectively. The ratio of aggregate indebtedness to net capital was 0.06 to 1.

NOTE 5 – RULE 15c3-3 EXEMPTION

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) in that the Company carries no margin accounts; promptly transmits all customer funds and delivers all securities received; does not otherwise hold funds or securities for, or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

NOTE 6 – OFF-BALANCE SHEET RISK

Pursuant to clearance agreements, the Company introduces all of its securities transactions to a clearing organization on a fully-disclosed basis. All of the customers' money balances and security positions are carried on the books of the clearing organization. In accordance with the clearance agreements, the Company has agreed to indemnify the clearing organization for losses, if any, which the clearing organization may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing organization monitor collateral on the customers' accounts. The clearing deposit included in due from clearing organization is pursuant to this agreement.

SUPPLEMENTARY INFORMATION

SCHEDULE I

J.M. LUMMIS SECURITIES, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AND AGGREGATE INDEBTEDNESS  
AS OF DECEMBER 31, 2009

TOTAL SHAREHOLDER'S EQUITY QUALIFIED FOR NET CAPITAL	\$ 229,610
Deductions:	
Less non allowable assets:	
Prepaid expenses	2,190
Cash- central depository registration	205
	<u>2,395</u>
NET CAPITAL	<u>\$ 227,215</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required (greater of 6 2/3% of aggregate indebtedness or \$5,000)	<u>\$ 5,000</u>
EXCESS NET CAPITAL	<u>\$ 222,215</u>
EXCESS NET CAPITAL AT 1,000 PERCENT	<u>\$ 225,945</u>
COMPUTATION OF AGGREGATE INDEBTEDNESS	
Total liabilities	<u>\$ 12,700</u>
Percentage of aggregate indebtedness to net capital	<u>0.06 to 1</u>

STATEMENT PURSUANT TO PARAGRAPH (d)(4) OF RULE 17a-5

There were no material differences between the computation of net capital presented above and the computation of net capital reported in the Company's unaudited Form X-17A-5, Part II-A filing as of December 31, 2009.

J.M. LUMMIS SECURITIES, INC.  
INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL



*Partners:*

Thomas F. Reynolds, CPA  
Frank A. Rowella, Jr., CPA  
Steven I. Risbridger, CPA  
Scott D. Crane, CPA  
Ben Maini, CPA

**INDEPENDENT AUDITOR'S REPORT**  
**ON INTERNAL CONTROL**

To the Shareholder of  
J.M. Lummis Securities, Inc.  
New Canaan, Connecticut

In planning and performing our audit of the financial statements of J.M. Lummis Securities, Inc., (the "Company"), as of and for the year ended December 31, 2009 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to

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**website: [www.reynoldsrowella.com](http://www.reynoldsrowella.com)**

achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

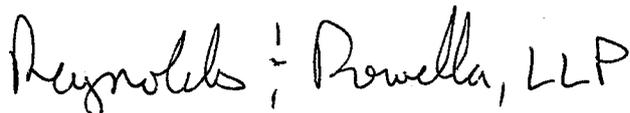
Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the shareholder, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Reynolds & Rowella, LLP

New Canaan, Connecticut  
February 22, 2010

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J.M. LUMMIS SECURITIES, INC.  
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES RELATED  
TO AN ENTITY'S ASSESSMENT RECONCILIATION  
DECEMBER 31, 2009



*Partners:*

Thomas F. Reynolds, CPA  
Frank A. Rowella, Jr., CPA  
Steven I. Risbridger, CPA  
Scott D. Crane, CPA  
Ben Maini, CPA

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To the Shareholder of  
J.M. Lummis Securities, Inc.  
New Canaan, Connecticut

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation (SIPC) for the period from April 1, 2009 to December 31, 2009, which were agreed to by J.M. Lummis Securities, Inc. (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC collectively (the "specified parties"), solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report had been requested or for any other purpose. The procedures were performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records noting no differences;
2. Compared the total revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2009 less revenues reported on the FOCUS reports for the period from January 1, 2009 to March 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the period from April 1, 2009 to December 31, 2009 noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments noting no differences.

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We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by any other than these specified parties.

*Reynolds & Rowella, LLP*  
Reynolds & Rowella, LLP

February 22, 2010  
New Canaan, Connecticut

**SIPC-7T**

(27-REV 3/09)

SECURITIES INVESTOR PROTECTION CORPORATION  
805 15th St. N.W. Suite 800, Washington, D.C. 20005-2215  
202-371-8300

**Transitional Assessment Reconciliation**

**SIPC-7T**

(27-REV 3/09)

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

J.M. Lummis Securities, Inc.  
50 Locust Ave  
New Canaan, CT 06840

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Susan Galione 203-966-005

2. A. General assessment [item 2e from page 2 (not less than \$150 minimum)]	\$ 2,435
B. Less payment made with SIPC-4 made in January, February or March 2009 (For all fiscal year ends except January, February, or March) \$150-1/8/09, \$831-7/13/09	( 981 )
Date Paid	1,455
C. Assessment balance due	
D. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	
E. Total assessment balance and interest due (or overpayment carried forward)	\$ 1,455
F. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as E above)	\$ 1,455

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

J.M. Lummis Securities, Inc

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates: \_\_\_\_\_  
    Postmarked                  Received                  Reviewed

Calculations \_\_\_\_\_                  Documentation \_\_\_\_\_                  Forward Copy \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

**WORKING COPY**

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning April 1, 2009  
and ending December, 2009  
Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 974,396

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

\$ 974,396

\$ 2,435

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

(to page 1 but not less than  
\$150 minimum)